

By: Rodriguez

H.B. No. 2197

A BILL TO BE ENTITLED

AN ACT

relating to the purchase of property as part of a homestead land bank program.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 373A.208, Local Government Code, is amended by amending Subsections (a), (g), and (h) and adding Subsection (g-1) to read as follows:

(a) Notwithstanding any other law and except as provided by Subsection (f), property that is ordered sold pursuant to foreclosure of a tax lien may be sold in a private sale to a land bank by the officer charged with the sale of the property without first offering the property for sale as otherwise provided by Section 34.01, Tax Code, if:

~~(1) [the market value of the property as appraised by the local appraisal district and as specified in the judgment of foreclosure is less than the total amount due under the judgment, including all taxes, penalties, and interest, plus the value of nontax liens held by a taxing unit and awarded by the judgment, court costs, and the cost of the sale,~~

~~[(2)]~~ the property is not improved with a habitable building or with an uninhabitable building that is occupied as a residence by an owner or tenant who is legally entitled to occupy the building or buildings;

(2) ~~[(3)]~~ there are delinquent taxes on the property

1 for a total of at least five years; and

2 (3) ~~[(4)]~~ the municipality has executed with the other
3 taxing units that are parties to the tax suit an interlocal
4 agreement that enables those units to agree to participate in the
5 program while retaining the right to withhold consent to the sale of
6 specific properties to the land bank.

7 (g) The owner of the property subject to sale under this
8 subchapter ~~[may not receive any proceeds of a sale under this~~
9 ~~subchapter. However, the owner]~~ does not have any personal
10 liability for a deficiency of the judgment as a result of the ~~[a]~~
11 sale ~~[under this subchapter]~~.

12 (g-1) The owner may not receive any proceeds of a sale under
13 this subchapter unless the amount of sale proceeds exceeds the
14 total amount due under the judgment, including all taxes,
15 penalties, and interest, plus the value of nontax liens held by a
16 taxing unit and awarded by the judgment, court costs, and the cost
17 of the sale, in which event the excess proceeds shall be distributed
18 in the manner provided for excess proceeds of a sale under Chapter
19 34, Tax Code, pursuant to the foreclosure of a tax lien.

20 (h) Notwithstanding any other law, if consent is given by
21 the taxing units that are a party to the judgment, property may be
22 sold to the land bank for less than the market value of the property
23 as specified in the judgment or less than the total of all taxes,
24 penalties, and interest, plus the value of nontax liens held by a
25 taxing unit and awarded by the judgment, court costs, and the cost
26 of the sale. The taxing units may not consent to a sale for a
27 reduced amount as authorized by this subsection if the market value

1 of the property as appraised by the local appraisal district and as
2 specified in the judgment of foreclosure exceeds the total amount
3 due under the judgment, including all taxes, penalties, and
4 interest, plus the value of nontax liens held by a taxing unit and
5 awarded by the judgment, court costs, and the cost of the sale.

6 SECTION 2. Section 373A.211(e), Local Government Code, is
7 amended to read as follows:

8 (e) If the land bank conveys the property to a qualified
9 organization before the expiration of the period specified by the
10 municipality under Subsection (d), the interlocal agreement
11 executed under Section 373A.208(a)(3) [~~373A.208(a)(4)~~] may provide
12 tax abatement for the property until the expiration of that period.

13 SECTION 3. Section 373A.208(c), Local Government Code, is
14 repealed.

15 SECTION 4. This Act takes effect September 1, 2011.